indicated by the Registrar, in view of the abnormal financial stringency through which the country has been passing since the close of the War. It is sincerely hoped that these banking concerns will soon improve their methods and increasingly conform to recognised banking principles in their future working. Government, in this connection, regret to note that the Quilon Bank, to which they were prepared to lend a sum of Rs. 25,000 on easy terms, as stated in my last year's Address, has failed to take advantage of that offer.

30. In the meantime, the Anchal Savings Banks, which are primarily maintained for the convenience of the poor investor, are, as the result of the increase in the rate of interest announced in paragraph 14 of my Address last year, becoming increasingly popular. The total number of Anchal offices at which savings bank work is done, has risen from 47 in 1097 to 72 in the current year. The number of accounts and the closing balance of these banks, which were 17,865 and Rs. 10·3 lakhs at the beginning of 1097, have increased to 21,396 and Rs. 12½ lakhs respectively at the end of Dhanu, 1098.

31. Co-operation.—The number of Co-operative Societies rose from 266 at the beginning of 1097 to 367 at its close. The number of Societies actually working at the end of 1097 was 296 and 360 at the end of Dhanu, 1098, while that of the Societies working for the benefit of the depressed classes has risen from 44 to 66 during the former and again to 68 during the latter period. Of the 360 Societies mentioned above, 60 are non-agricultural, and 11 among the latter are engaged in activities other than credit. The starting of a Central Weavers' Society and of Societies for land colonisation is engaging the attention of the department. The Trivandrum Central Co-operative Bank was the only financing institution for the movement till recently. With a view to make the Central Bank more popular, its bye-laws have been so amended as to admit of interest up to 7½ per cent. being allowed on deposits, and rules for the opening of a provident business depôt have been framed by the board of management. The formation of other Urban Banks is also being fostered, one such having already been registered for Nagercoil, while it is reported that Alleppey and Kottayam are likely to follow suit. The draft bye-laws of the Travancore Co-operative Union have been published in the Gazette, the objects of which are to focus non-official opinion on co-operation, to undertake non-official supervision of Societies not working under any union, and to do propaganda work for the dissemination of co-operative ideals among the masses. A Supervising Union has been started at Mavelikara, and applications for the establishment of two more such Unions at Kottayam and Perumpavur have been received by the Registrar. These Unions will render the requisite non-official help to the department in the disposal of petitions for arbitration, enquiry into complaints, examination of applications for new Societies, etc. Government have also made provision in the current year's budget for the allowances of Honorary Assistant Registrars intended to supplement the propaganda and the supervision work of the stipendiary officers, and the Registrar's report on the subject of their appointment has been just received. The strength of the inspecting staff has also been appreciably increased to cope with the additional work entailed by the rapid increase of fresh Societies, and the growing need for more effective propaganda, inspection and audit. The Rules passed under Regulation X of 1089 are being amended with a view to enable the Land Revenue Department to execute the arbitration awards of the Co-operative Department summarily, to admit of the profits in unlimited liability Societies with share capital being assigned towards dividends, and to invest the Registrar with the power to limit the maximum rates of dividends. Government trust that, with the help of non-official co-operation which he should enlist in an increasing measure, and the experience which he has gained during his training of the various phases of the movement in Madras, the Registrar would eventually make the movement a real live force, capable of exercising its beneficent influence in all important spheres of human activity in this country.

32. Forest.—The gross revenue of the Forest Department rose from Rs. 12,29,843 in 1096 to Rs. 15,39,117 in 1097. The question of the improvement and expansion of forest communications is engaging the attention of the

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Conservator, and he reports that, at the last annual conference of Forest Officers held at Quilon, a programme for the judicious outlay of money in clearing obstructions along water-ways and opening fresh communications was decided upon. The allotment for the construction of roads and bridges and the blasting of rocks in the beds of rivers has been appreciably increased in the budget for the current year. With a view to expand the area of sandalwood plantations in the State, steps are in progress for reserving a large extent of lands in the Pambar valley and along the northern outlet road from the 21st to the 34th mile-stone, while acquisition proceedings have been completed in respect of the lands required for the extension of the existing sandalwood reserve at Marayur. When the necessary preliminary steps are over and the lands referred to are handed over to the department, a steady programme for the expansion of sandalwood plantations will be taken in hand and carried out. I have already adverted to the measures adopted for excluding from reserved forests swampy and other areas fit for paddy cultivation. Orders have also been issued for the lists of the existing cattle *porambokes* being carefully scrutinised, with a view to reserving only such of them as are really useful for grazing purposes and to throwing open the rest for cultivation. Repeated representations have, as you know, been made in this Assembly as regards the inconvenience experienced by the public in the matter of obtaining free passes from the Forest Department for the removal of timber from registered holdings, and with the object of removing or at least minimising this inconvenience, a set of Rules have been framed by the Conservator and scrutinised by the Additional Head Sirkar Vakil, and they are now being examined by a mixed committee of officials and non-official members of the Legislative Council. The report submitted by the Forest Utilisation Officer on the possibility of manufacturing paper pulp from reeds in North Travancore is still under the consideration of the Government. The success of the scheme is dependent largely on the cheapness of the power to be used. In the meantime, certain proposals for the utilisation of these reeds for the manufacture of matches and match-boxes received from Mr. Cox of Cochin are being examined by the Economic Development Board. In regard to the Forest College at Quilon, the original idea was to train two batches of students; but it has since been found that the trained staff already employed, together with the first batch of thirteen students now undergoing training, would be sufficient to meet the present requirements of the department, and that the College may therefore be closed early in 1099. Meanwhile this institution is being also utilised to give a shorter course of practical training for one year to a few Deputy Rangers and Foresters of the department.

33. Excise.—The system of abkari administration underwent no change in 1097, except for the reduction of the issue strength of country spirits from 20° and 30° U. P. to 25° and 35° U. P. respectively, with the avowed object of discouraging the drink habit. With the new abkari contracts for the biennial period of 1098-99, a further enhancement of tree-tax and of the excise duty on toddy arrack has been effected, the number of arrack and toddy shops has been further reduced, and an earlier closing hour has been prescribed, in furtherance of the same object. The outstanding feature of the year 1097 is a large fall of about Rs. 4 lakhs in the abkari revenue, inclusive of opium and ganja. As I have stated more than once elsewhere, it is not the desire of the State to make revenue out of drink to the detriment of the welfare of its subjects, and nobody would be more pleased than the Government if this fall in revenue was a true index of the growth of temperance.

34. Salt.—The improvement works started in 1096 for the Tamaracolam old salt factory were completed in 1097, while those in respect of the *alloms* at Rajakkamangalam and Colachel are still in progress. The defunct Variyur *allom* has been resuscitated, and the Trivandrum Port Salt depôt has been reopened with a view to meet the convenience of the public. In the cyclone of Vrischikam last, the salt factories at Tamaracolam suffered serious loss, about 3 lakhs of maunds of salt stored on the different platforms being washed away by the floods.

35. Public Works.—The bulk of the expenditure of the Public Works Department in 1097 was on communications, especially in the northern taluks of the State. The Rules regulating the construction of roads by private agencies and their assumption

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